

**ASX Announcement – 30 April 2020****Quarterly Activities Report for the Quarter Ended 31 March 2020**

Hawkley Oil & Gas Limited (“Hawkley” or “The Company”) provides the following report on its activities for the quarter ended 31 March 2020.

**Proposed Acquisition and ASX Re-compliance**

During the quarter, the Company continued to progress its proposed acquisition of an approximate 33% interest in and operatorship of an oil and gas project (“**Project**”) in North Dakota, USA. The Project, comprising 10 wells in 6,600 gross acres located in Burke County, North Dakota, is focused on production and development from the Midale/Nesson formations within the Williston Basin.

Since mid-way through the quarter, there has been abnormally large volatility in global commodity markets and macro-economic uncertainty with regards to prices and demand for oil and gas as a result of the COVID-19 (coronavirus) outbreak and a rapid escalation in oil production by Saudi Arabia and Russia. The Project vendors have advised that production has been temporarily halted due to the historically low oil prices and current market over supply.

In conjunction with the proposed acquisition, the Company is seeking to undertake a recapitalisation and recompliance with Chapters 1 and 2 of the ASX Listing Rules in order to seek reinstatement of its securities to trading on the ASX.

Under the ASX Listing Rules, Hawkley was due to be automatically removed from the Official List at the commencement of trading on 3 February 2020, however ASX agreed to extend this removal date until 30 May 2020 provided that Hawkley obtained shareholder approval and lodged its re-compliance prospectus by 6 April 2020.

On 28 February 2020, a General Meeting of Shareholders was convened for 30 March 2020, in order to seek approval for the Project acquisition and associated capital raising. Due to the introduction of restrictions on public gatherings associated with COVID-19, the meeting was adjourned to be held via teleconference on 6 April 2020, with all resolutions to be decided based solely on valid proxy votes received. The meeting also considered resolutions to approve a change to nature and scale of

**Directors****Tom Fontaine**

Managing Director

**Murray Wylie**

Non-Executive Director

**Kane Marshall**

Non-Executive Director

**Share Information**

ASX Code:	HOG
Shares on Issue <sup>+</sup> :	45.6M
Options on Issue:	Nil
Share Price <sup>+</sup> :	3¢
Market Cap <sup>+</sup> :	\$1.4M

*+ Adjusted for 1 for 10 share consolidation during April 2020.  
\*As at 11 May 2017 when shares were suspended from trading on ASX*

activities, a 1 for 10 share consolidation and adoption of a replacement constitution. All resolutions were passed.

Following the receipt of Shareholder approval, the Company also lodged its recompliance prospectus with ASIC and ASX on 6 April 2020, seeking to raise between \$5,000,000 and \$7,000,000 at 3 cents per share (post consolidation). Hawkley therefore satisfied the requirements of ASX for its removal date to be extended to 30 May 2020. By that date, the Company must have satisfied Listing Rule 11.1.2 and 11.1.3 (including re-compliance with Chapters 1 and 2) and be reinstated to official quotation. The Company's Appendix 1A Application for Admission to the Official List was subsequently lodged with ASX on 9 April 2020.

## **Corporate**

Mr. Kane Marshall was appointed as a Non-Executive Director of Hawkley on 30 January 2020. His appointment was subsequently confirmed by shareholders at the General Meeting on 6 April 2020. Kane has over 20 years' experience in various roles as a director, geologist, petroleum engineer and company builder. He is currently the Managing Director of Perth Basin and Cooper Basin operator Key Petroleum Limited (ASX: KEY) and his diverse experience base includes technical and managerial roles with private equity funded oil companies, independents and majors. Prior to his appointment to Key Petroleum Limited, Mr Marshall was with Santos as a Consultant Petroleum and Production Engineer with the Roma Implementation Team in Brisbane and as a Reservoir and Petroleum Engineer for both Chevron Australia and Woodside Energy on North-West Shelf projects.

During the quarter, the Company raised a further \$280,000 seed capital via convertible notes under the interim funding arrangements announced on 24 October 2019. The notes are convertible at 3 cents per share (post consolidation) with one free attaching unlisted option for every 2 shares. The options have an exercise price of 5 cents per share and expire on 30 June 2023. The issue of convertible notes was approved by shareholders at the General Meeting on 6 April 2020.

On 12 March 2020, the \$200,000 convertible loan agreement with Emco Capital Pty Ltd ("Emco") was amended to remove the conversion rights and to extend the term of the loan from 30 April 2020 until 30 June 2020 whilst the Company pursues its recapitalisation and recompliance. In section 6 of the Appendix 5B (Quarterly Cash Flow Report) released today, payments totaling \$35k were made to related parties or their associates during the quarter. These payments were for directors' fees and company secretary services.

The issue of revised holder statements following the 1 for 10 share consolidation approved by shareholders on 6 April 2020, was finalised by 21 April 2020, with the total shares on issue reducing from 456,239,077 to 45,624,230 after rounding.

Managing Director Tom Fontaine commented: "Whilst the current market conditions, particularly for the oil and gas sector, are challenging, they also represent opportunities with stressed assets providing increased deal flow. The proposed North Dakota acquisition remains an excellent project upon which to build a company. It is conventional oil production, from a proven area, with low risk up-side potential. We are also actively reviewing additional projects for growth opportunities."

**For more information, please contact:**

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**Petroleum Tenements**

The Company currently has no petroleum tenements following the disposal of its Ukraine assets in November 2016.

